

Office of the State Controller

Alert # 191



TO: Controllers and Chief Fiscal Officers of State Departments
and Higher Education Institutions and Boards

FROM: David J. McDermott, State Controller *David J. McDermott*

DATE: October 14, 2010

SUBJECT: Capital Construction Projects Funded by Revenues from Land for Public
Buildings Pursuant to Section 8 of the Enabling Act of Colorado
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Capital Construction Projects Funded by Revenues from Land for Public Buildings Pursuant to Section 8 of the Enabling Act of Colorado

There are a number of cash funded (refinanced controlled maintenance) projects in this year's Long Bill (HB10-1376) that have the following annotation - "These amounts shall be from revenues from land for public buildings pursuant to section 8 of the enabling act of Colorado". In essence this means the funding is coming from two trust funds at the State Land Board (SLB) in the Department of Natural Resources (DNR). In order to minimize the impact on DNR staff, the OSC will allow agencies receiving the Trust Funds to incur expenditures on the project without earning the revenue to support the expenditures. The OSC will coordinate with DNR and record the revenue to the projects at year end. Similar to the federal flexible funds projects under the Jobs Growth and Tax Relief Act of 2003, the OSC will publish procedures and deadlines for finalizing expenditures in the Fiscal Procedures Manual. Additionally, agencies with these funds should identify on their SC4.1 that the source of the funding is "Other - Section 8 of the enabling act of Colorado" rather than as capital construction funds. Please contact your FAST specialist if you have any questions.

Cell Phones Removed as Listed Property

The federal Small Business Jobs Act was recently signed removing cell phones and similar telecommunications equipment from the definition of listed property. Previous to the effective date of this provision (January 1, 2010) an employee was required to include the value of an employer-provided cell phone in income, unless strict substantiation requirements were met to demonstrate the use was predominantly for business purposes. After the effective date of the provision, it is no longer appropriate for the State to impute income for unsubstantiated personal use of an employer provided cell phone or similar communication device. With the removal of cell phones from the definition of listed property, an employer is allowed to utilize a much less

burdensome de minimus personal use policy, much like policies in place for employer-provided desk phones. In the near future the OSC will issue a policy clarifying de minimus use. Please contact your FAST specialist if you have any questions.

Federal Funding Accountability and Transparency Act (FFATA)

The first reporting deadline for the Federal Funding Accountability and Transparency Act (FFATA) is November 30, 2010, for any federal grant received in October 2010. The reporting is similar to ARRA, but it requires fewer fields be reported. In addition, the federal government will prepopulate many of the fields on the system, which will be known as the FFATA Subaward Reporting System (FSRS). The Office of the State Controller and the Office of Information Technology have determined it is not practicable or efficient for the State to use a centralized reporting process for this requirement. As a result, each State agency that is a direct recipient of a non-ARRA federal grant is required to enter required subrecipient/subawardee information directly into FSRS that is not already prepopulated. **This FFATA reporting requirement is separate and exclusive of your ARRA reporting requirement, and the State's ARRA data accumulation and reporting will not change.** ARRA awards are reported using the State's ARRA central reporting process. Non-ARRA federal awards that have subrecipients/subcontractors are reported on FSRS using your agency's FFATA reporting process. The OSC will be issuing supplemental provisions to attach to federal awards that have subrecipients/subcontractors to assist you in the FFATA reporting process. Information was distributed previously via e-mail and is available on OSC's website at:

<http://www.colorado.gov/dpa/dfp/sco/FFATA.htm>

If you have any questions please contact your FAST specialist or Jennifer Henry at 303-866-3809 or jennifer.henry@state.co.us.

ARRA – Updated OMB Guidance

Updated OMB guidance for Recovery Act reporting was recently issued. The guidance covers the applicability of Recovery Act reporting requirements to the Education Jobs Fund in Public Law No. 111-226, guidance on reporting procedures, changes for federal contractors, and improves transparency of narrative descriptions in recipient reporting via changes to the Recipient Reporting Data Model. The guidance can be found on OSC's website at:

http://www.colorado.gov/dpa/dfp/sco/contracts/ARRA/ARRA_Main_Page.htm

Please contact Jennifer Henry at 303-866-3809 or Jennifer.henry@state.co.us if you have any questions.

Travel Per Diem Changes Effective October 1, 2010

The travel section of the OSC's website has been updated to include the new per diems that are effective October 1, 2010. See:

http://www.colorado.gov/dpa/dfp/sco/FiscalRules/FR_Travel.htm

Please contact your FAST specialist if you have any questions.

Travel Mileage Reimbursement Policy Clarification

The State's mileage reimbursement policy has been updated to address the home as the primary place of business and aligns the policy with current IRS regulations. Individual State agencies or departments may issue additional detailed guidance that does not contradict the statewide policy or violate the related Fiscal Rule. The policy can be viewed on OSC's website at:

[http://www.colorado.gov/dpa/dfp/sco/FiscalRules/Mileage_Reimburse_Policy\(10-01-2010\).pdf](http://www.colorado.gov/dpa/dfp/sco/FiscalRules/Mileage_Reimburse_Policy(10-01-2010).pdf)

Please contact your FAST specialist if you have any questions.

Travel Turnaround Reports

Completed travel report turnaround forms are due to your FAST specialist by November 5, 2010 with the distribution of total in-state, total out-of-state, and total out-of-country expenses for state employees by the source of funds and total vehicle miles driven broken out between in-state and out-of-state travel and two-wheel and four-wheel drive miles.

Agencies should run the travel turnaround report on Financial Data Warehouse. Detailed instructions on how to run and complete the report begin on page 311 of the March 2009 Fiscal Procedures Manual (available at:

http://www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/manual_cur.htm.

See Chapter 5, Section 2.)

If you have any questions after reading the instructions, please contact your FAST specialist. If you need access to the Financial Data Warehouse, please contact Karoline Clark at 303-866-3811 in the OSC's Reporting & Analysis Section.

Procurement Card Misuse

The Fiscal Year 2009-2010 "Misuse Reports" are due to the State Controller November 1st for any PCard violations that are recurring, significant, or in excess of \$500, in accordance with State Fiscal Rule 2-10. Suggested reporting templates are included at:

<http://www.colorado.gov/dpa/dfp/sco/P-Card/P-Card.htm>.

Please contact your FAST specialist if you have any questions.

Staff Changes

Gini Powers joins the Central Accounting and Operations Section and handles the warrant distribution process. Gini comes to us from the Colorado Department of Labor and Employment, and formerly worked at TIAA-CREF. Welcome Gini!

Marie Schneider joins Central Payroll as the manager of the unit. She comes to the OSC from the Community College System Office where she was the Assistant Director of their payroll section. Welcome Marie!

Marc Burkpile joins the Reporting & Analysis Section and will be working with the statewide indirect cost plan and on various reports. He comes to us from the private sector. Welcome Marc!

Kevin Edwards has left the Contracts section of the OSC to accept a position with the Attorney General's Office. Congratulations Kevin!

Lea Ann Baker will soon be leaving the OSC to accept a position with the Governor's Office of Information Technology as a Procurement Specialist. Congratulations Lea Ann!